

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED UPON THE AUDIT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

County Judge Robert Eckels and
Members of Commissioners Court of
Harris County, Texas:

We have audited the basic financial statements of Harris County, Texas (the "County") as of and for the year ended February 29, 2004, and have issued our report thereon dated July 22, 2004. We did not audit the financial statements of the discretely presented component units which statements reflect total assets of \$807,905,205 as of their respective balance sheet dates and total revenues of \$979,909,571 for the year then ended. We also did not audit the financial statements of the Harris County, Texas County Clerk Trust Funds and the Harris County, Texas District Clerk Court Registry Funds, which statements reflect total assets of \$147,769,542 at February 29, 2004. Those financial statements were audited by other auditors whose reports expressing unqualified opinions have been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for discretely presented component units, the Harris County, Texas County Clerk Trust Funds and the Harris County, Texas District Clerk Court Registry Funds, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings and Questioned Costs as item 04-01.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the County Judge and Commissioners Court members, management, federal and state awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

July 22, 2004